

MACH-HR Management System

User Guide

Projects, Clients, Timesheets, Invoicing & Tax (NTA 2025)

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 **Projects**  **Clients**  **Timesheets & Invoicing**

 **Tax & NTA 2025 Compliance**  **FIRS e-Invoice (Remita)**

Introduction

This guide explains how to use the four connected billing and project modules in your organisation's management system: Projects, Clients, Timesheets, and Invoicing. It is written for all users — account managers, project managers, finance staff, and organisation admins — with no technical background required.

Together, these modules let your organisation manage client relationships, track project work and billable time, and generate compliant invoices that are automatically submitted to the Federal Inland Revenue Service (FIRS) through the Remita e-invoicing system.

Who This Guide Is For

Role	What They Can Do	Relevant Sections
Employee / Team Member	Log time on projects, view own timesheets	Timesheets
Account Manager	Manage clients and projects, generate invoices, record payments	All sections
Finance Manager / Org Admin	Full access — configure settings, view all invoices, manage tax compliance	All sections including Settings



Module 1 — Projects

Organising and tracking the work your organisation does for clients

What Is the Projects Module?

A project is any piece of work your organisation undertakes for a client — a website redesign, a consulting engagement, a software build, an audit. The Projects module is where you create those engagements, define how they will be billed, track progress, and manage the full lifecycle from first agreement to final payment.

Every invoice in the system is tied to a project. This means you always know which client work generated which invoice, and how much has been billed and paid against each piece of work.

Key Terms

Term	What It Means
Project	A defined engagement with a client, with a name, billing model, budget, and timeline.
Billing Model	How the project will be billed: Fixed Price, Hourly Rate, Retainer, or Milestone.
Contract Amount	The total agreed value of the project between your organisation and the client.
Deposit	An upfront payment required before work begins. Optional — set when creating the project.
Balance	The remaining amount owed after the deposit has been paid.
Milestone	A specific deliverable or phase within the project with its own due date and completion status.
Assigned Team	The employees assigned to work on the project. Used for timesheet tracking.
Project Status	Where the project currently stands: Active, Completed, On Hold, or Cancelled.
Budget Hours	The estimated number of hours allocated to complete the project.
Actual Hours	The real number of hours logged against the project through timesheets.

Billing Models Explained

When you create a project, you choose how it will be billed. This affects how invoices are generated.

Billing Model

How It Works

Invoice Basis

Fixed Price	The client pays a set total for the project, regardless of hours worked.	Deposit invoice + balance invoice
Hourly Rate	The client pays for actual hours worked at an agreed rate per hour.	Timesheet-based invoices
Retainer	The client pays a fixed monthly amount to retain your services.	Monthly recurring invoices
Milestone	The client pays when specific deliverables are completed and approved.	Milestone completion invoices

Creating a Project — Step by Step


1	<p>Go to Projects and click "New Project"</p> <p>Select the client this project is for. Only active clients appear in the list.</p>
2	<p>Fill in the project details</p> <p>Enter the project name, description, billing model, contract amount, currency, start date, and estimated end date.</p>
3	<p>Set the deposit (optional)</p> <p>If your organisation takes an upfront payment, enter the deposit amount. The system will automatically calculate the balance remaining.</p>
4	<p>Set budget hours</p> <p>Enter how many hours you expect the project to take. This helps you track whether you are staying within scope.</p>
5	<p>Add milestones (optional)</p> <p>Break the project into phases or deliverables. Each milestone has a name, due date, and a completion toggle.</p>
6	<p>Assign team members</p> <p>Select which employees will work on this project. Assigned employees can log timesheets against it.</p>
7	<p>Save the project</p> <p>The project becomes Active immediately. You can now generate invoices and log time against it.</p>

Managing Deposits and Balances

For Fixed Price projects with a deposit, the billing process has two stages:

- **Deposit Invoice** — Generated first. Sent to the client before work begins. Covers the upfront deposit amount.
- **Balance Invoice** — Generated when the work is complete. Covers the remaining contract amount after the deposit.


When a deposit invoice is marked as paid, the system records the deposit payment date and reference, and updates the project's payment progress automatically. The balance invoice can only be generated once the deposit is recorded.


 **TIP:** The project detail page shows a payment progress bar — how much of the contract has been paid vs. what is still outstanding. This is updated in real time as invoices are paid.


Project Status

A project can be in one of four states:

 **Active:** Work is ongoing. Timesheets can be logged and invoices generated.

 **Completed:** All work is done and all invoices have been issued.

 **On Hold:** Work is paused. No new timesheets can be logged but the project remains in the system.

 **Cancelled:** The project will not proceed. All records are preserved for reference.



Module 2 — Clients

Managing the organisations and individuals your company works for

What Is the Clients Module?

The Clients module is your contact book for the organisations and individuals that your company bills for work. Every project must be linked to a client, and every invoice goes to a client. Keeping client records accurate — especially tax and billing information — is essential for generating FIRS-compliant invoices.

Key Terms

Term	What It Means
Client	A company, government body, foreign entity, or individual that your organisation works for and bills.
Client Type	The category of the client: Individual, Company, Government, or Foreign Entity.
TIN	Tax Identification Number. The client's unique number with the Federal Inland Revenue Service (FIRS). Used in FIRS e-invoices.
VAT Registration Number	The client's VAT registration number, if they are registered for VAT.
Tax ID (Legacy)	An older tax reference number, kept for backward compatibility. Replaced by TIN for FIRS e-invoicing.
Payment Terms	How many days the client has to pay after receiving an invoice (e.g. Net 30 = 30 days).
Contact Person	The specific individual at the client organisation who receives invoices and communications.
Outstanding Balance	The total amount the client currently owes across all unpaid invoices.
Total Billed	The cumulative amount your organisation has invoiced this client across all time.

Client Types

When creating a client, you select their type. This affects how they appear in reports and may affect tax treatment.

- **Company** — Registered Nigerian companies (Ltd, Plc). Requires company name and TIN.
- **Government** — Federal ministries, state agencies, parastatals, and local government bodies.
- **Foreign Entity** — Non-resident or international clients. Currency may differ from NGN.


- Individual — Sole traders, freelancers, consultants, or private individuals.

Adding a New Client — Step by Step

1	Go to Clients and click "New Client" Select the client type first — this determines which fields are required.
2	Enter basic information Full name (or company name), email address, and phone number. These are used for invoice delivery.
3	Enter the address Street, city, state, country, and postal code. The postal code is used by the FIRS e-invoicing system.
4	Enter contact person details The name, email, position, and phone of the person who handles invoices at the client organisation.
5	Enter billing information Legal company name, Tax ID, TIN (for FIRS e-invoicing), VAT registration number, payment terms, and currency.
6	Save the client The client is now available to attach to projects and invoices.

TIN and VAT Fields — Why They Matter

The TIN (Tax Identification Number) field is specifically used when submitting invoices to FIRS through the Remita e-invoicing system. When an invoice is sent, the system automatically embeds the client's TIN into the FIRS QR code that appears on the invoice PDF.

 **NOTE:** If a client does not have a TIN on file, the system will use a placeholder value (00000) for the FIRS submission. This is accepted in most cases but for best compliance, add the client's actual FIRS TIN when you have it. It is always optional — invoices will send regardless.

The VAT Registration Number is the client's VAT number if they are a registered VAT payer. This is stored for your records and may be required for certain types of invoices.

Client Status

Clients can be Active, Inactive, or Suspended. Only Active clients can be selected when creating new projects or invoices. Inactive and Suspended clients remain in the system with their full history preserved.



Module 3 — Timesheets

Recording billable time worked on client projects

What Is the Timesheets Module?

The Timesheets module is where employees log the hours they spend working on client projects. For hourly-rate and retainer billing models, timesheets are the direct basis for invoice generation — the system reads the logged hours and calculates what to charge.

Even for fixed-price projects, timesheets are useful: they tell you whether you are spending more or fewer hours than budgeted, which is critical for profitability.

Key Terms

Term	What It Means
Timesheet	A record of hours worked by an employee on a specific project during a defined period.
Billing Period	The date range covered by the timesheet — usually a week or a month.
Time Entry	A single line item within a timesheet: a date, number of hours, and description of work done.
Billable Hours	Hours that will be charged to the client on an invoice.
Total Hours	The sum of all time entries in a timesheet.
Timesheet Status	Where the timesheet is in the approval process: Draft, Submitted, Approved, or Rejected.
Hourly Rate	The agreed rate per hour charged to the client for work on this project.

Timesheet Statuses



Draft: The timesheet has been created but not yet submitted. Only the employee can see it.



Submitted: The employee has submitted the timesheet for approval. A manager or HR can now review it.



Approved: A manager has approved the timesheet. It can now be used to generate an invoice.

✘ Rejected: A manager has sent the timesheet back for corrections. The employee must update and resubmit.

Logging Time — Step by Step

1	Go to Timesheets and click "New Timesheet" Select the project you worked on. Only projects assigned to you will appear.
2	Set the billing period Choose the start and end date of the period you are recording time for.
3	Add time entries For each day you worked, add an entry with the date, hours worked, and a brief description of what you did.
4	Review the total hours The system automatically sums all your entries. Review before submitting.
5	Submit the timesheet Once submitted, it goes to your manager for approval. You can no longer edit it unless it is rejected.

💡 TIP: Write clear descriptions in each time entry. When the invoice is generated from your timesheet, these descriptions appear on the invoice as line items. Clients read them — vague entries like 'work done' are less professional than 'Frontend development — homepage responsive layout'.

Timesheet Approval (Managers)

When an employee submits a timesheet, their manager receives a notification. The manager can review all time entries, check the hours and descriptions, and either approve or reject the timesheet.

- **Approve** — The timesheet is confirmed and can be used for invoicing.
- **Reject** — The manager can add a rejection reason. The employee is notified and must make corrections.

⚠ IMPORTANT: Timesheets must be Approved before they can be included in an invoice. Submitting a timesheet does not automatically create an invoice — the invoice step comes separately.



Module 4 — Invoicing

Generating, sending, and tracking client invoices with FIRS e-invoice compliance

What Is the Invoicing Module?

The Invoicing module lets you generate professional invoices based on completed project work and approved timesheets, send them to clients as PDF email attachments, and track their payment status. Every invoice generated by the system is automatically formatted to comply with Nigeria's NTA 2025 invoicing standards and submitted to FIRS through the Remita e-invoicing gateway.

Key Terms


Term	What It Means
Invoice	A formal document requesting payment from a client for work completed.
Invoice Number	A unique, sequentially generated reference number in the format PREFIX-INV-YEAR-NNNNNN (e.g. MACH-INV-2026-000037).
Sequence Number	The order in which invoices have been generated. Used for NTA 2025 sequential numbering compliance.
VAT (Value Added Tax)	A 7.5% tax applied to most services. Calculated automatically and shown separately on the invoice.
Subtotal	The total before tax is applied.
Total Amount	The final amount the client owes, including VAT.
Invoice Status	Where the invoice currently stands: Draft, Sent, Paid, Overdue, or Cancelled.
FIRS	Federal Inland Revenue Service — Nigeria's tax authority.
IRN	Invoice Reference Number. A unique code returned by FIRS after a successful e-invoice submission through Remita. Proves the invoice is FIRS-registered.
QR Code	A scannable code on the invoice PDF. When scanned, it verifies the invoice's authenticity and FIRS registration.
FIRS e-Invoice	An invoice that has been submitted to FIRS via the Remita system and received a valid IRN. Required for NTA 2025 compliance.
Remita	The payment and e-invoicing platform certified by FIRS as an Access Point Provider. The system uses Remita to submit invoices to FIRS automatically.


Invoice Statuses




Draft: The invoice has been generated but not yet sent to the client.

 **Sent:** The invoice has been emailed to the client as a PDF attachment.

 **Paid:** Payment has been confirmed and recorded. FIRS is automatically notified.

 **Overdue:** The due date has passed and the invoice has not been paid.

 **Cancelled:** The invoice has been voided. All records are preserved.

Generating an Invoice

Invoices are generated from projects. The system knows what to bill based on the project's billing model.

For Fixed Price Projects

1	<p>Open the project and click "Generate Invoice"</p> <p>The system checks whether a deposit invoice or balance invoice is needed based on what has already been invoiced.</p>
2	<p>Review the invoice details</p> <p>The system pre-fills the client, amount, issue date, and due date. You can add notes (e.g. bank details, payment instructions).</p>
3	<p>Generate — the invoice is created as a Draft</p> <p>It is not sent yet. You can review it first.</p>
4	<p>Click "Send Invoice"</p> <p>The system generates a PDF with your organisation's details, the client's details, a QR code, and the invoice items, and emails it to the client's contact email.</p>


For Hourly Rate Projects

1	<p>Approve the employee timesheets first</p> <p>Only Approved timesheets can be used for invoicing.</p>
2	<p>Open the project and click "Generate Invoice from Timesheets"</p> <p>Select which approved timesheets to include.</p>
3	<p>Review the line items</p> <p>Each time entry becomes a line on the invoice with the description and hours from the timesheet.</p>
4	<p>Generate and send</p> <p>Same process as fixed-price — create as Draft, review, then send.</p>

What Happens When You Send an Invoice

When you click "Send Invoice", the system performs several actions automatically:

1. A professional PDF is generated with your organisation's logo, letterhead, client details, itemised charges, VAT breakdown, bank details, and a QR code.
2. The invoice is submitted to FIRS via Remita. Within seconds, FIRS returns an Invoice Reference Number (IRN) and a FIRS-issued QR code.
3. The IRN and FIRS QR code are saved to the invoice record and embedded in the PDF. The QR code on the invoice is the official FIRS verification code.
4. The PDF is emailed to the client's contact email address as an attachment.
5. The invoice status changes from Draft to Sent.



 **NOTE:** If the FIRS submission fails for any reason (network issue, API outage), the invoice is still sent to the client with the system's own QR code as a fallback. The FIRS IRN will appear as Pending on the invoice detail page. This never blocks invoice delivery.

Understanding the FIRS e-Invoice & IRN

Nigeria's NTA 2025 regulations require that all business-to-business invoices above certain thresholds be submitted to FIRS electronically. The system handles this automatically through Remita, which is a FIRS-certified Access Point Provider.

When an invoice is successfully submitted to FIRS:


- **FIRS Validated badge** — A green badge appears on the invoice header in the system.
- **IRN displayed** — The Invoice Reference Number (e.g. MACHINV2026000037-BBCCC154-20260321) is shown in the compliance section.
- **FIRS QR code on PDF** — The QR code on the invoice PDF is the official FIRS-issued code, not the system's own. Clients or auditors can scan it to verify the invoice with FIRS directly.

<p> FIRS Validated</p> <p>The invoice has been accepted by FIRS. IRN is confirmed. QR code is FIRS-issued.</p>	<p> Submitted</p> <p>The invoice was submitted to FIRS but confirmation is still pending.</p>	<p>— Not Sent Yet</p> <p>The invoice has not yet been submitted to FIRS (still in Draft).</p>
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The Invoice QR Code

Every invoice has a QR code. It is printed prominently on the PDF and serves as the primary verification mechanism for the invoice.

- **When FIRS submission succeeds** — the QR code is the official FIRS-issued code. Scanning it verifies the invoice directly with FIRS.
- **When FIRS submission fails** — the system generates its own QR code as a fallback. It still contains all key invoice data and can be scanned to verify authenticity within the MACH-HR system.

 **TIP:** If a client or their auditor questions an invoice, they can scan the QR code with any smartphone camera. The FIRS QR code will open a FIRS verification page confirming the invoice is registered. The system QR code will open the MACH-HR invoice verification page.

NTA 2025 Compliance Checklist


Every invoice detail page shows a Compliance Checklist with five tiles. These confirm that the invoice meets all NTA 2025 requirements:

<p>Number Format Confirms the invoice number follows the required PREFIX-INV-YYYY-NNNNNN format.</p>	<p>Sequence Shows the sequential number. Required to prove no gaps in invoice numbering.</p>	<p>Tax Year Confirms the invoice year embedded in the number matches the issue date.</p>	<p>QR Code Confirms a QR code has been generated and is attached to the invoice.</p>	<p>FIRS e-Invoice Shows whether FIRS has validated this invoice via Remita and returned an IRN.</p>
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Recording a Payment

When a client pays an invoice, you must mark it as paid in the system. This triggers the FIRS payment notification automatically.

- 1 Open the invoice and click "Mark as Paid"**
Only Finance Managers and Org Admins can mark invoices as paid.
- 2 Enter payment details**
Enter the payment method (bank transfer, cheque, etc.), transaction reference, amount paid, and payment date.
- 3 Confirm**
The invoice status changes to Paid. FIRS is automatically notified that the invoice has been settled. The project's payment progress is updated.

 **NOTE:** FIRS must be notified of payment on all e-invoices. The system does this automatically when you mark an invoice as paid. You do not need to take any additional action.





Downloading an Invoice PDF

You can download the invoice as a PDF at any time from the invoice detail page. Click the "Full PDF" button in the Download Options section. The PDF includes:

- Your organisation's name, address, and VAT/tax registration details
- The client's name, address, and TIN (if provided)
- A sequential invoice number and issue/due dates
- Itemised list of services or time entries with descriptions and amounts
- VAT breakdown showing the 7.5% calculation
- Total amount due
- Your bank details and payment instructions (from the invoice notes)
- The QR code (FIRS-issued if available, system-generated as fallback)
- The FIRS Invoice Reference Number (IRN) if the invoice has been validated


How the Four Modules Work Together

Projects, Clients, Timesheets, and Invoicing are designed to work as one connected system. Data flows from client setup through project creation, time logging, and eventually invoice generation and payment tracking.

 Client	 Project	 Timesheet	 Invoice
Set up client with TIN, address, contact, billing currency	Create project, link to client, set billing model and budget	Log hours, submit, get approved by manager	Generate from project, send to client, FIRS validates, record payment

In practice, this means:

- When you generate an invoice, the system automatically pulls the client's TIN and address from the client record and embeds them in the FIRS e-invoice submission. You never have to enter these twice.
- For hourly projects, approved timesheet hours flow directly into the invoice line items — descriptions, hours, and amounts transfer automatically.
- When a fixed-price project has a deposit, the system knows to generate a deposit invoice first and a balance invoice second, and tracks which has been paid.
- Marking an invoice as paid automatically updates the project's payment progress bar, so you always know the financial status of each engagement at a glance.
- Every invoice sent triggers an automatic FIRS submission. If successful, the FIRS IRN appears on the invoice. If the submission fails for any reason, the invoice still goes to the client — the system never blocks invoice delivery because of a compliance API.


 **EXAMPLE:** Your organisation is engaged by ABC Corporation Ltd for a website redesign at ₦500,000. You create the project, set billing as Fixed Price, and add a 30% deposit. The system generates a ₦150,000 deposit invoice automatically. When ABC pays, you mark it as paid. Once work is complete, you generate the ₦350,000 balance invoice. Both invoices are automatically submitted to FIRS, receive IRN numbers, and carry FIRS-issued QR codes. Your organisation's invoice numbering is sequential and auditable.

Module 5 — Tax Configuration

Nigeria Tax Act 2025 compliance — VAT, WHT, Development Levy and FIRS e-invoicing

What Is the Tax Configuration Module?

The Tax Configuration module lets Finance Managers and Org Admins configure how taxes are calculated on every invoice. It is built for Nigeria Tax Act (NTA) 2025 compliance, effective January 1, 2026, and covers VAT, Withholding Tax (WHT), Development Levy, and digital compliance requirements. Once configured, taxes are applied automatically every time an invoice is generated — you never need to calculate them manually.

 **NTA 2025:** The Nigeria Tax Act 2025 consolidates multiple existing tax laws into one framework. The main changes affecting your invoices: VAT remains at 7.5%, WHT rates are now service-specific, the old Education Tax and NITDA levy are replaced by a single 4% Development Levy, and all tax administration moves to the Nigeria Revenue Service (NRS). The system handles all of this automatically.

Key Terms

Term	What It Means
VAT	Value Added Tax — 7.5% added to most invoices. Collected from the client and remitted to NRS by the 21st of the following month.
WHT	Withholding Tax — deducted by the client before they pay you, then remitted to NRS on your behalf. You receive the net amount.
Development Levy	A 4% levy on company profits. Replaces Education Tax (3%), NITDA (1%), and NASENI (0.25%) under NTA 2025. Small companies are exempt.
CIT	Company Income Tax — 30% on profits for standard/large companies. Small companies pay 0%.
NRS	Nigeria Revenue Service — the new name for what was FIRS. All tax returns and remittances go to NRS from 2026.

TIN	Tax Identification Number — your organisation's 12-digit FIRS/NRS tax reference.
METR	Minimum Effective Tax Rate — 15% applies to large multinational companies (turnover ≥ ₦50 billion). Calculated globally.
EFS	Electronic Fiscalization System — the NRS digital filing system. Required for tax administration.
Small Company	A company with annual turnover ≤ ₦100 million AND fixed assets ≤ ₦250 million. Exempt from Development Levy and pays 0% CIT.
Large Company	A company with annual turnover ≥ ₦50 billion. Subject to 15% METR in addition to standard CIT.




Enabling and Configuring Tax

Tax settings are found by going to Invoices → Tax Settings (the shield icon in the top right of the invoices page). Only Finance Managers and Org Admins can change these settings.

1	<p>Enable the Tax System</p> <p>Toggle 'Enable Tax System' on. While this is off, no taxes are calculated on any invoice — useful during initial setup.</p>
2	<p>Set your Company Classification</p> <p>Enter your annual turnover and fixed assets. The system automatically classifies you as Small, Standard, or Large and applies the correct rates.</p>
3	<p>Configure VAT</p> <p>Enable VAT and confirm the rate (7.5%). Enter your organisation's TIN. VAT is added to invoices automatically once enabled.</p>
4	<p>Configure WHT</p> <p>Enable WHT and review the service-specific rates. The default rates match NTA 2025: 5% for companies and professional services, 10% for individuals and consultancy.</p>
5	<p>Enable Development Levy (if applicable)</p> <p>If your company is Standard or Large, enable Development Levy (4%). Small companies are automatically marked as exempt.</p>
6	<p>Enable Digital Compliance</p> <p>Enable the Electronic Fiscalization System (EFS) and Electronic Filing as required by NRS. These are mandatory for most organisations from 2026.</p>
7	<p>Save Settings</p> <p>Click Save. Tax calculations now apply to all new invoices automatically.</p>

Company Classification — Why It Matters


Your company size determines which taxes apply and at what rates. The system classifies your company automatically based on the turnover and assets you enter.

Category	Threshold	CIT Rate	Dev Levy
 Small	Turnover ≤ ₦100M AND Assets ≤ ₦250M	0% (exempt)	Exempt
 Standard	Turnover ₦100M– ₦50B	30%	4% on profit
 Large	Turnover ≥ ₦50B	30% + 15% METR	4% on profit

VAT — How It Works on Invoices

Once VAT is enabled, every invoice automatically includes a 7.5% VAT line. Here is what happens:

- **Added to invoice** — VAT is added on top of your subtotal. The client pays you the full invoice amount including VAT.
- **You collect and remit** — The VAT you collect belongs to NRS. You must file a VAT return and remit it by the 21st of the following month.
- **VAT on invoice PDF** — The invoice PDF shows subtotal, VAT amount (7.5%), and total separately in the Tax Breakdown section.
- **FIRS/NRS QR code** — The VAT amount is included in the FIRS e-invoice submission and embedded in the IRN QR code.

 **TIP:** The invoice generation page shows a live tax preview before you generate. You can see the exact VAT amount, WHT amount, estimated total, and net receivable before committing.

WHT — How It Works on Invoices

Withholding Tax is different from VAT — it is deducted by the client, not added to the invoice. Here is the flow:

- **Not added to invoice** — WHT does not increase the invoice total. It is shown as a memo line so the client knows how much to deduct.
- **Client deducts at source** — When the client pays, they deduct the WHT percentage from your invoice total and pay you the remainder.
- **Client remits to NRS** — The client sends the WHT directly to NRS on your behalf, usually by the 21st of the following month.
- **You receive the net** — Your bank receives the invoice total minus WHT. The tax preview shows your 'net receivable' after WHT.

Service / Client Type	WHT Rate	Who Deducts
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Companies (general)	5%	Client company deducts before payment
Individuals	10%	Client individual deducts before payment
Government agencies	5%	Agency deducts before payment
Professional Services	5%	Client deducts on professional fees
Consultancy	10%	Client deducts on consultancy fees
Management fees	10%	Client deducts on management fees

Development Levy — The New Combined Levy

Under NTA 2025, three separate levies have been merged into one 4% Development Levy on company profits:

- Education Tax (formerly 3% on assessable profits) → merged in
- NITDA Levy (formerly 1% on profit before tax) → merged in
- NASENI Levy (formerly 0.25%) → merged in

The 4% is distributed across seven government funds automatically:

Fund	Share	On ₦10M Profit
Tertiary Education Fund	50%	₦200,000
Education Loan Fund	15%	₦60,000
NITD Fund	8%	₦32,000
NASENI	8%	₦32,000
Defense Infrastructure	10%	₦40,000
Cybersecurity Fund	5%	₦20,000
Tech Incubation	4%	₦16,000

⚠️ NOTE: Development Levy is calculated on profits, not on invoice amounts. It does not appear on client invoices — it is an internal company tax. Small companies (turnover ≤ ₦100M AND assets ≤ ₦250M) are fully exempt. The system shows a preview calculation in Tax Settings so you can estimate your liability.

Invoice Tax Preview — Before You Generate

When you are on the Generate Invoice page and select a client and timesheets or projects, a live tax preview appears automatically. It shows:

- **Subtotal** — the billable amount before any tax.

- **VAT (7.5%)** — shown in red as a positive addition to the invoice. Paid by client to you.
- **WHT** — shown in orange as a deduction. Deducted by client and remitted to NRS on your behalf.
- **Invoice Total** — what appears on the invoice (subtotal + VAT).
- **Net Receivable** — what you will actually receive in your bank (invoice total minus WHT).

For timesheets, the preview also shows billable vs non-billable hours separately. Non-billable hours are excluded from the invoice amount automatically.

For project invoices, you can mark individual projects as VAT-exempt using the toggle on each project card. The preview updates instantly when you change this.

Filing Schedule — Key Dates

Tax	Deadline	Notes
VAT	21st of following month	File return and remit VAT collected from clients
WHT	21st of following month	Client remits WHT deducted from your invoices (you receive WHT credit)
Development Levy	Within 30 days of quarter end	Quarterly — calculated on profits, not invoice amounts
Annual Returns	Within 6 months of financial year end	Full annual tax return to NRS

Frequently Asked Questions

Projects

Can I create a project without a client?

No. Every project must be linked to an active client. If the client does not exist yet, create them first in the Clients module, then come back to create the project.

Can I change the billing model after the project is created?

Yes, as long as no invoices have been generated yet. Once an invoice exists for the project, the billing model is locked to preserve data integrity. If you need to change it, cancel existing draft invoices first.

What happens if actual hours exceed budget hours?

The system highlights when actual hours are approaching or have exceeded the budget. For fixed-price projects this is for your information only — the client still pays the agreed amount. For hourly

projects, exceeding the budget hours will increase the invoice amount, so discuss scope changes with the client proactively.

Can I add team members to a project after it has started?

Yes. Go to the project, click Edit, and add the new team member. They will immediately be able to log timesheets against the project.

Clients

Is the TIN field mandatory?

No. The TIN field is optional. If a client does not have a TIN on file, the system uses a placeholder for the FIRS e-invoice submission, which is accepted. However, for fully compliant FIRS invoices, adding the client's actual TIN is recommended.

Can I edit a client after invoices have been sent to them?

Yes. You can update client details at any time. Changes apply going forward — previously sent invoices are not retroactively updated, since they are already in the client's hands as PDFs.

What is the difference between Tax ID and TIN?

The Tax ID field is a legacy field carried over from older records. The TIN field is the current FIRS Tax Identification Number used for e-invoicing compliance. If your client has both, enter the TIN in the TIN field. The Tax ID can be left for reference.

Can I see all invoices sent to a specific client?

Yes. Go to Invoices and filter by the client name. All invoices linked to that client will appear, with their current status and amounts.

Timesheets

Can I edit a timesheet after I have submitted it?

No. Once submitted, a timesheet is locked for editing. If it is rejected by your manager, it returns to Draft and you can make corrections. If it has already been approved, contact your manager or HR to make any adjustments.

What if I forget to log time for a past date?

You can add time entries for past dates as long as the timesheet is still in Draft. Once submitted, past entries cannot be added. If you need to record time after approval, ask your manager to assist or create a new timesheet for the missed period.

My project does not appear in the timesheet dropdown — what do I do?

Only projects you are assigned to appear in the dropdown. Ask your project manager to add you to the project's assigned team, then try again.

Can more than one employee submit timesheets for the same project?

Yes. Multiple team members can submit timesheets for the same project. When generating an invoice, the manager selects which approved timesheets to include — these can span multiple employees.

Invoicing & FIRS

Do I need to do anything special for FIRS compliance?

No. The system handles FIRS submission automatically every time you send an invoice. You do not need to log into any FIRS portal or use any separate system. Just send invoices as normal.

What is an IRN and why does it matter?

The IRN (Invoice Reference Number) is the unique code FIRS assigns when it accepts your invoice into its system. It is proof that the invoice is registered with the tax authority. Under NTA 2025, FIRS-registered invoices are required for all qualifying B2B transactions. The IRN appears on the invoice PDF and in the compliance section of the invoice detail page.

What if FIRS submission fails?

The invoice is still sent to the client normally. The system never blocks invoice delivery because of a FIRS API issue. The FIRS status on the invoice will show as Pending. You can check back later — the system may retry automatically, or contact your admin to investigate.

Can I resend an invoice to a client?

Yes. Open the invoice and use the Send option again. A new PDF will be generated and sent. The invoice number and IRN remain the same.

How do I know if VAT has been applied to an invoice?

Open the invoice. Scroll to the Summary section. The VAT amount (7.5% of the subtotal) is shown as a separate line. The Tax Breakdown section also shows the full VAT calculation. If no VAT was applied, the tax line will show zero.

Can I generate an invoice manually without linking it to a project or timesheet?

Currently, all invoices are generated from projects. This ensures consistent numbering, client linkage, and FIRS submission. If you have a one-off charge, create a project for it first, even if it is a simple one.

Can I cancel an invoice that has already been sent?

Yes. Finance Managers and Org Admins can cancel a Sent invoice. The invoice is marked as Cancelled and preserved in the system. A new invoice would need to be generated if the client still needs to be billed. Note that cancelling a FIRS-validated invoice should be handled carefully — consult your finance team on whether a credit note is required.

How do I record a partial payment?

The Mark as Paid option records a full payment. For partial payments, record the amount paid and note the balance in the payment reference field. A partial payment workflow — where an invoice can be partially settled — may be available in future updates. Contact your admin if this is a frequent requirement.

Tax Configuration — VAT, WHT & NTA 2025

Do I need to configure tax before I can send invoices?

No. Tax configuration is optional. If the tax system is disabled, invoices are generated without any tax calculations. You can enable and configure it at any time from Invoices → Tax Settings. Changes apply to all future invoices — existing sent invoices are not affected.

VAT is showing on my invoice but the client says they are VAT-exempt — what do I do?

Go to the client's record and check their billing information. If they qualify for VAT exemption, this can be configured in the Tax Settings under 'Exempt Clients'. Alternatively, when generating a project invoice, you can toggle individual projects as VAT-exempt using the switch on each project card. The tax preview updates immediately to reflect the change.

My client is deducting WHT from payments — is that correct?

Yes, this is correct and expected under Nigerian tax law. When WHT is enabled, your clients (particularly companies and government agencies) are legally required to deduct WHT before paying you and remit it to NRS on your behalf. The invoice tax preview shows your 'net receivable' — the amount you will actually receive after WHT deduction. You do not need to do anything further — the client handles the remittance.

What is the difference between VAT and WHT on an invoice?

VAT is added on top of your invoice total and paid by the client to you. You collect it and remit it to NRS yourself. WHT is deducted from your invoice total before the client pays you. The client remits it to NRS directly. So VAT increases what you receive, while WHT reduces it. Both appear in the tax preview before you generate the invoice.

Is my company exempt from Development Levy?

If your annual turnover is ₦100 million or less AND your fixed assets are ₦250 million or less, you are a Small Company under NTA 2025 and fully exempt from Development Levy (and pay 0% CIT). Enter your turnover and fixed assets in Tax Settings → Company Classification and the system will classify you automatically and show your exemption status.

Why does the invoice preview show billable and non-billable hours separately?

Timesheets track all hours worked — some billable (charged to the client) and some non-billable (internal work, admin, non-chargeable time). Only billable hours appear on the invoice. The preview shows both so you can confirm what will be charged before generating. Non-billable hours are excluded automatically — you do not need to manually remove them.

When do I need to file my VAT return?

VAT returns are due by the 21st of the month following the invoice month. For example, VAT collected on March invoices is due by April 21st. The system tracks VAT amounts on all sent invoices but does not automatically file returns — you or your accountant must file through the NRS portal using your TIN. The total VAT collected can be seen by exporting your invoice list and summing the VAT column.

I changed the WHT rate in Tax Settings — will it update old invoices?

No. Tax settings only affect invoices generated after the change is saved. Previously generated invoices retain the tax rates that were in effect when they were created. This is by design — it ensures your financial records remain accurate and match what was actually sent to clients.

Need further help?

Contact your Finance Manager or reach out to support@machi-konzult.com

<https://mach-hrm.com>

